

From the Desk of John Colley ...

Apple Shows off some New Software for iPad, iPhone, iPad Touch ... the latest version will be out soon as their gadget dominance continues. The iTV is not planned for a launching until Autumn. Apple's potential remains quite enviable as it trades at a P/E of merely 10 with a AAA rating and no debt.

Spain Optimism Fades: Yesterday, the Dow dropped sharply in the final minutes of the session (off 142) after being up 98 points to begin the week in Monday's early hours. The global financial threat seems to go "on and off" like a light switch. Today, as we follow the lead of Europe (which was up overnight) our U.S. futures look bright.

Interesting Tidbit: Over the last 100 days or so the Eurozone Reaction (up or down) determined our U.S. stock markets 9 out of 10 times ... often obliterating any especially good news on the U.S. headlines front.

Today the nervous news spreads to Italy while a support package for Spain's beleaguered banking systems is once again revised. **We expect the U.S. economy to continue growing even as Europe's situation provides downside risk.**

* **U.S. May Small Business Optimism Index** stays essentially the same (falling a mere 0.1 point to 94.4 from 94.5 in April).

* **U.S. Employers** more upbeat on hiring (survey found that 21% plan to hire more staff in the third quarter).

* **Berkshire Hathaway** is seeking to buy mortgage assets of Residential Capital, the bankrupt lending unit of government-owned Ally Financial. Warren B. feels the reward is worth the risk.

JC
6/12/12